

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:741

ANSWERED ON:05.12.2003

CLEARANCE OF OUT-STATION CHEQUES

AMBATI BRAHMANAIAH;MOINUL HASSAN AHAMED

Will the Minister of FINANCE be pleased to state:

(a) whether out-station cheques take a minimum of 15 days to be cleared and get credited into respective accounts thereafter banks also charge commission and postal charges for it;

(b) if so, the details thereof and the reasons for the mandatory 15 days that banks take to get the deposited cheque cleared between two distant places like Andhra Pradesh and Delhi; and

(c) the steps proposed to be taken by the Government to introduce electronic transaction system in banks to ensure that out-station cheques do not take such long periods of time?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) & (b) :- Reserve Bank of India (RBI) have reported that as per the guidelines issued to banks with regard to time frame for collection of local/outstation cheques between the four metros which are having MICR Cheque Clearing System, the cheques drawn on any day of the week should be credited latest on the same day in the following week (for example Monday to next Monday). Further, in respect of State capitals and other centers with more than 100 bank offices, credit to the customer's account should be given within 10 days. RBI have further reported that banks are free to charge commission and postal charges for it.

(c):- RBI have reported that the Electronic Funds Transfer (EFT) System introduced in 1996 and the special EFT system introduced in April, 2003 have brought down the time taken for remittance on funds to one day.